



**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING MINUTES
HONORABLE JUDY CHU, CHAIRWOMAN
450 N STREET, SACRAMENTO, ROOM 121
MARCH 20, 2007, 9:30 AM**

----- Minutes -----

**BUSINESS TAXES
SALES AND USE TAXES**

2007 Legislative Proposals

Set forth below are suggestions for Sales and Use Taxes legislation to be sponsored by the Board in the first year of the 2007-2008 Legislative Session (see attachments). Additional suggestions will be included on the agenda for April 2007.

**Suggestion
Number**

3-9

Add Section 6483.5 to the Sales and Use Tax Law to allow the Board to offset an unapproved prior period credit claimed on a return against a non-final liability under specified circumstances.

Source: Honorable Bill Leonard

Revenue Impact: None

Committee Recommendation: Withdrawn by Mr. Leonard. Refer subject matter to the interested parties process. (5-0)

3-10

Amend Sections 6452.1, 6487.3, and 18510 of the Revenue and Taxation Code to *require* persons who have failed to report their use tax obligations to the Board to report their use tax liability on their tax returns filed with the Franchise Tax Board.

March 20, 2007

Source: Legislative and Research Division
Sales and Use Tax Department

Committee Recommendation: Adopt (3-2)

Revenue Impact: Unknown increase

3-11

Add Sections 7285.6 and 7285.93 to the Additional Local Taxes Law to authorize a citywide or countywide district tax ordinance to be approved by voters without the governing body's approval.

Source: Legislative and Research Section

Revenue Impact: None

Committee Recommendation: Adopt (3-2)

**BUSINESS TAXES
SPECIAL TAXES****2007 Legislative Proposals**

Set Forth below are suggestions for Special Taxes legislation to be sponsored by the Board in the first year of the 2007-2008 Legislative Session (see attachments). Additional suggestions will be included on the agenda for April 2007

**Suggestion
Number****4-7**

Amend Sections 41030, 41031, and 41032 of the Emergency Telephone Users Surcharge Law to change the effective date of the surcharge rate period from November 1 through October 31 to January 1 through December 31 (calendar year basis) in order to prevent quarterly and yearly filers from having to report split tax returns each time there is a rate change effective November 1.

Source: Excise Taxes Division

Revenue Impact: None

Committee Recommendation: Adopt (5-0)

ADMINISTRATION

2007 Legislative Proposals

Set forth below are suggestions for Administration legislation to be sponsored by the Board in the first year of the 2007-2008 Legislative Session (see attachments). Additional suggestions will be included on the agenda for April 2007.

Suggestion Number

5-1

Amend various sections in the State Constitution to rename the Board of Equalization as the "California Tax Board."

Source: Honorable Bill Leonard

Revenue Impact: None

Committee Recommendation: Motion to adopt failed (2-3)

5-2

Add Section 17042.1 to the Personal Income Tax Law to allow the Board to approve a taxpayer's head of household status when that taxpayer claims as his qualifying dependent a child whose natural parent also lives in the taxpayer's household and qualifies as a dependent of taxpayer.

Source: Honorable Bill Leonard

Revenue Impact:	2007/08	\$0.5 million loss
	2008/09	\$1.5 million loss
	2009/10	\$2.0 million loss

Committee Recommendation: Withdrawn by Mr. Leonard. Legislative Division directed to initiate a study on the fiscal interaction between head of household filing status and social welfare assistance payments. (4-0)

**BOARD OF EQUALIZATION
BOARD COMMITTEE ON LEGISLATION
March 20, 2007**

**Attending: Honorable Judy Chu, Chair - Honorable Betty T. Yee, Honorable Bill Leonard, Honorable Michelle Steel,
and Marcy Jo Mandel**

BUSINESS TAXES – Sales and Use Tax

<u>Suggestion No</u>	<u>Chu</u>	<u>Yee</u>	<u>Leonard</u>	<u>Steel</u>	<u>Chiang/ Mandel</u>	<u>Committee Recom.</u>
3-9	Yes	Yes	Yes	Yes	Yes	Withdrawn by Mr. Leonard. Refer subject matter to the interested parties process. (5-0)
3-10	Yes	Yes	No	No	Yes	Adopt (3-2)
3-11	Yes	Yes	No	No	Yes	Adopt (3-2)

March 20, 2007

BUSINESS TAXES – Special Taxes

<u>Bill No.</u>	<u>Chu</u>	<u>Yee</u>	<u>Leonard</u>	<u>Steel</u>	<u>Chiang/ Mandel</u>	<u>Committee Recom.</u>
4-7	Yes	Yes	Yes	Yes	Yes	Adopt (5-0)

ADMINISTRATION

<u>Bill No.</u>	<u>Chu</u>	<u>Yee</u>	<u>Leonard</u>	<u>Steel</u>	<u>Chiang/ Mandel</u>	<u>Committee Recom.</u>
5-1	No	No	Yes	Yes	No	Motion to Adopt Failed (2-3)
5-2	Yes	Yes	Yes	Yes	Abstain	Withdrawn by Mr. Leonard. Legislative Division directed to initiate a study on the fiscal interaction between head of household filing status and social welfare assistance payments. (4-0)

Approved: /S/ Judy Chu
Ms. Judy Chu, Chair
Board Legislative Committee

/S/ Ramon J. Hirsig
Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the March 20, 2007 Board Meeting

/S/ Gary Evans
Gary Evans, Acting Chief
Board Proceedings Division

March 20, 2007